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UNDP: COUNTRY PROGRAMMES AND MID-TERM REVIEWS

Reports on mid-term reviews: an overview

Report of the Administrator

I. INTRODUCTION

1. In its decision 92/28 of 26 May 1992, the Governing Council requested the Administrator to report on mid-term reviews of the fifth cycle country and intercountry 1/ programmes undertaken during the period 1993 to 1995. The present report represents the fifth and final in a series responding to this request. 2/ It summarizes recurring issues from the mid-term review exercises carried out during the reference period, with particular attention to the conclusions of the approximately 80 mid-term reviews undertaken in 1995.

2. The present report covers the main issues emerging from the various reviews, with particular reference to four specific items in paragraph 2 of decision 92/28, namely, experiences with national execution, national capacity-building, the new support cost arrangements and the programme approach, including problems encountered in their implementation.

3. Annex I provides a summary of financial commitments against indicative planning figures (IPFs), for countries for which mid-term reviews were undertaken in 1995, and annex II provides the schedule of mid-term reviews undertaken during the reference period 1993-1995. Annex III lists mid-term reviews scheduled for 1996, formal reports on which may be made available, at the discretion of the Executive Board.

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4. Addenda 1-5 to the present document contain reviews of the following country programmes: Mozambique (DP/1996/12/Add.1), the Lao People's Democratic Republic (DP/1996/12/Add.2), Yemen (DP/1996/12/Add.3), Brazil (DP/1996/12/Add.4) and Romania (DP/1996/12/Add.5).

II. MID-TERM REVIEW PROCESS

5. The mid-term review process for fifth cycle country and intercountry programmes has generally been slower than anticipated in the report of the Administrator (DP/1993/6) to the Governing Council at its special session in February 1993, which outlined a tentative timetable for the various mid-term reviews. The process began in 1993, during which only seven mid-term reviews were undertaken, as indicated in annex II. The pace picked up considerably in the following year, when 14 mid-term reviews were carried out and, by the end of 1995, approximately 103 had been completed in total, representing 79 per cent of all eligible mid-term reviews for the cycle.

6. The original schedule of mid-term reviews could not be met for a number of reasons, including:

(a) A slow start in the development of new programmes related to the introduction of such new initiatives as the programme approach methodology;

(b) Preoccupation at the country level with other United Nations-related processes, such as round-table meetings, consultative group meetings, country strategy notes and national long-term perspective studies;

(c) Events in recipient countries (e.g., national elections) that were not conducive to timely programme implementation;

(d) Changes in the management of UNDP country offices associated with the periodic rotation of senior staff.

7. In support of the mid-term review process, UNDP headquarters issued new guidelines in 1993, which were updated in 1994, in light of Executive Board decision 94/14 of 10 June 1994 on initiatives for change, and to take into account feedback on the preliminary guidelines. Joint issues papers were assessed by the Programme Appraisal Committees of the regional bureaux and reviewed by the Programme Review Committee. UNDP headquarters also provided additional support through the Special Programme Resources 3/ for reviews of some 35 country and intercountry programmes. In country offices with relatively weak capacities, the additional resources supported the preparation of independent sectoral and thematic review papers for consideration during the review process.

III. GENERAL OBSERVATIONS

8. Invariably, the mid-term review process was considered beneficial and instructive by those concerned, namely, the Government, UNDP, other United Nations specialized agencies and concerned bilateral donors and non-governmental organizations. It afforded all a useful opportunity for stock-taking at the aggregate or programme level, over and above the detail of project operations, focusing on the country programme's continued relevance, the likelihood of achieving desired results, the resolution of operational constraints and setting the ground work for the next programming exercise.

9. The quality of the mid-term reviews varied, depending on the timing of the mid-term review exercise in relation to the overall country programme cycle, the extent and level of involvement of the Government, UNDP and concerned agencies in the process, and programme quality, in terms of the clarity of original programme objectives and activities.

10. The country programmes reviewed early in their cycles were in a better position to implement mid-term review recommendations than those reviewed in the latter part of their country programme cycle. In addition, the implementation of mid-term review decisions was particularly successful where Governments fully assumed their lead roles in the review process, especially with regard to decisions pertaining to operational constraints, such as delays in government decision-making and the failure of Government to meet counterpart obligations in a timely manner.

11. The 1995 mid-term reviews also revealed that, for the most part, fifth cycle country and intercountry programmes were consistent with broad national development priorities and the priorities of the Executive Board, as outlined in its decisions 90/34 of 23 June 1990 and 94/14 of 10 June 1994. Some country programmes were adjusted outside the mid-term review process, in order to make them more responsive to emerging circumstances in their countries and to take into account the new UNDP focus and thrusts arising from the initiatives for change. The devaluation of the CFA franc in January 1994 resulted in the adjustment of the country programmes for a number of francophone Central and West African countries, to emphasize, within their current programmes, the social development and economic management issues arising from the devaluation. Similarly, the introduction of structural adjustment programmes in a number of countries created new opportunities for UNDP to redirect activities, to strengthen the capabilities of Governments to manage the adjustment process and to mitigate some of the adverse consequences associated with structural adjustment programmes.

IV. PROGRAMME ISSUES

National execution

12. Almost all mid-term reviews reported an increase in the number of programmes and projects managed under the modality of national execution, when compared to the previous cycle. The modality has been quite useful in fostering ownership and integration of external cooperation into national programmes. In general, national institutions are assuming increasing responsibility for the recruitment of project staff, the placement of fellows, the procurement of equipment, financial management and reporting and other implementation activities.

13. At the same time, a number of mid-term reviews have noted some administrative problems with national execution. The general experience is that current procedures for implementation of the national execution approach are cumbersome, especially when compared with national procedures and those of other development partners. Particular concern was expressed about the practice of quarterly requests for advances and accompanying expenditure reports, which, in the experience of the Republic of Korea, for example, was regarded as time-consuming and out of line with local practice.

14. In general, country offices and Governments have coped with the administrative problems of national execution in a number of ways. Extensive regional and national training workshops raised the level of understanding of national execution procedures and accountability requirements. Other approaches have included the creation of special, project-funded national execution units, as in China, Egypt, India, Lebanon, Malawi, Viet Nam and Zambia, for example; the issuance of country-specific national execution guidelines, in addition to standard UNDP guidelines on the same; and the provision of direct support by the UNDP country office and/or the United Nations Office for Project Services.

15. The Administrator has taken note of the experience with national execution, as reflected in the mid-term review exercises, especially the need to review the nature and frequency of its procedures and requirements to bring them closer to national practices and those of other development partners, without compromising financial and substantive accountability. A formal evaluation of the national execution modality, covering 11 countries and 35 projects, was carried out in mid-1995, and its conclusions and recommendations will be taken into account in updating national execution procedures and requirements and to ensure that implementation of the approach enhances capacity-building and national ownership of development activities.

Capacity development

16. Capacity development was identified as the central objective of most of the country programmes reviewed, except in a few countries, where the focus has shifted towards humanitarian support, including direct support and services, as in the recent situations in Burundi, Haiti, Rwanda and other countries.

17. Most country programmes advocated conventional strategies for capacity development; specifically, the provision of training through workshops,

seminars, in-service training, fellowships and the assignment of international staff to train national counterparts and provide line services. In general, these approaches have been quite successful in raising the level of individual and institutional skills. However, UNDP has also learned that capacity development is a complex phenomenon, requiring the interaction of decision-making systems at various levels - central, regional, subregional and local. Accordingly, in a number of country programmes, UNDP has sought to involve the intended beneficiaries in capacity-development activities, as part of the process of empowering them. Particularly successful efforts were reported in Myanmar and the Sudan, with respect to area development schemes, and in Argentina and Peru, with respect to strengthening the capacity of provincial and local governments to formulate, implement and manage development activities.

18. In general, the continuing constraints to the development of sustainable national capacities in the areas of UNDP support remain, including, in the less developed countries, the absence of a critical mass of suitably trained national staff, the high turnover of staff and the non-fulfilment of national budgetary and in-kind commitments to projects. Overarching these operational constraints is the continuing absence or insufficiency of an enabling public sector environment, i.e., adequate compensation and incentive systems.

19. UNDP attaches particular importance to issues of national capacity development, and its recent work on the subject, 4/ undertaken in conjunction with the Harvard Institute for International Development, is particularly useful in helping country offices and Governments to systematically assess national capacity-development issues and requirements and develop appropriate strategies to address them. In addition, UNDP is supporting Governments in their efforts to implement the administrative reforms necessary to create an enabling environment for sustainable capacity development.

New support costs arrangements

20. Since the introduction of the new support costs arrangements in 1992, UNDP has made significant investments in training, management support systems (i.e., computer software) and improved operational guidelines. Indications from the reviews suggest that the support costs arrangements are better understood now, especially with respect to the distinction between execution/ implementation, technical support services/administrative and operational services, and the underlying principles of government ownership, UNDP accountability and agency expertise.

21. TSS-1 has been used mainly for sectoral and cross-sectoral policy advice and strategy development. The general outputs have been programme formulation frameworks and technical cooperation programmes and in some cases (e.g. in Thailand, the Sudan, the United Republic of Tanzania and Viet Nam), government ministries have incorporated the results of TSS-1 activities in their own policy considerations. As also noted in previous reviews, it was felt that TSS-1 should be more country driven than at present and expanded to additional competent institutions, including national and regional institutions. With modification of the rules of participation and increased resources, TSS-1 may be useful in addressing middle- and high-level policy issues, providing a much needed basis for UNDP involvement in upstream policy dialogue.

Programme approach

22. Progress in the formal adoption and application of the programme approach in fifth cycle country programmes remains slow, for a number of reasons. In its resolution 47/199 of 22 December 1992, the General Assembly promoted agreement on a common interpretation of the approach, almost concurrently with the beginning of the fifth cycle, for the period 1992-1996. By the time clear operational guidelines were available, and given the average gestation period of projects, most country programmes had already tied up their resources in new but conventional projects, and in old projects carried over from the fourth cycle.

23. Consequently, most of the country programmes reviewed remain largely project-oriented, even though they are better-focused, with fewer areas of concentration (four on average), than during the fourth cycle. Furthermore, the historical phenomenon of "project scatter" has been reduced globally, by consolidating small projects and regrouping project activities around themes and sectors, in order to enhance programme impact.

24. In general, programmes developed later in the fifth cycle have sought to apply the programme approach, and significant progress has been noted in Egypt, Ethiopia, India, Indonesia, Nigeria and other countries in this regard. In the learning process, some conceptual and operational problems have also been noted. National priorities and programmes are seldom articulated in the manner and level of detail required by the approach. The programme approach is often implicit rather than explicit in national programmes. Also, programmes are by definition multisectoral, requiring interministerial coordination and linkages that ordinarily do not exist or are difficult to establish. Accordingly, in the interpretation and application of the programme approach modality, flexibility is required.

25. A few Governments remain unconvinced of the added value of the programme approach over, for example, a large conventional project, considering its high costs, in terms of information, formulation, opportunity, management and staff time, especially in the context of overall administrative budget cutbacks. Its value as an instrument of resource mobilization was questioned in the experience of Ethiopia, the Republic of Korea, and the United Republic of Tanzania, where, despite extensive prior consultations with donors, including bilateral donors, the programmes generally failed to attract additional resources, strongly suggesting that, all considered, most donors continue to prefer to work within their own structures.

26. To facilitate the understanding and adoption of the programme approach in country programming, UNDP has prepared programme support document/programme support implementation arrangements guidelines (1993) and a training module, including a training video (1994), and contributed to the work on monitoring and evaluation guidelines on the programme approach, through the Consultative Committee on Programme and Operational Questions (CCPOQ) (1994). UNDP is also collaborating with the International Labour Organization Turin Centre and the Administrative Committee on Coordination (ACC)/CCPOQ in the preparation of a generic programme approach training module, for use by the United Nations development system and other interested groups. UNDP is presently carrying out an assessment of its overall experience with the application of the programme

approach and will shortly issue a revised set of process instruments for the modality.

V. RESOURCE SITUATION

27. As indicated in annex I, most country programmes had committed a relatively high proportion of their programmable IPF resources by mid-term, due to a number of factors, especially the high number of projects carried over from previous cycles and the 30 per cent reduction in IPF entitlements in 1994. The net effect has been to limit the capacity of the programmes to respond to new opportunities. However, some countries, especially those in the Latin America region, have been quite successful in mobilizing additional government cost-sharing resources, within their country programme frameworks. A formal evaluation of the Latin American experience with resource mobilization and cost-sharing was undertaken in late 1995 and its findings and key lessons will be incorporated into revised general guidelines on resource mobilization in UNDP.

VI. SELECTED LESSONS FROM THE FIFTH CYCLE MID-TERM REVIEW PROCESS

28. UNDP has drawn a number of lessons from the fifth cycle country and intercountry mid-term review process, including the following:

(a) The modalities of national execution and the programme approach have been useful in fostering ownership and integration of external cooperation into national programmes. UNDP is in the process of streamlining the instruments for the application of the modalities, in order to reduce the reported complexity and administrative burden, without compromising financial and substantive accountability;

(b) Related to (a) above, the practice of national execution and, to a lesser extent, the programme approach has, in a few countries, required the creation of special administrative units outside national planning, budgetary and institutional structures. Notwithstanding the rationale for these arrangements, UNDP is working closely with Governments to ensure that they are transitional and do not undermine national capacity;

(c) Concern was also expressed, in a general sense, about the workload arising from the absence of specific linkages among a plethora of United Nations-supported processes and activities, including, inter alia, country strategy notes, round tables, consultative groups, technical cooperation assessments and long-term perspective studies. The streamlining and rationalization of these processes would significantly reduce their inherent duplication and workload and is being actively pursued within UNDP, as relevant, and among the United Nations funds, programmes and agencies, through the auspices of ACC/CCPOQ and the Joint Consultative Group on Policy (the United Nations Children's Fund, UNDP, the United Nations Population Fund, the World Food Programme, the International Fund for Agricultural Development), in the

context of General Assembly resolutions 47/199 of 22 December 1992 and 50/120 of 20 December 1995;

(d) As a general rule, the UNDP technical cooperation mix will emphasize the use of short- rather than long-term resident experts and make greater use of national and regional institutions and consultants. Long-term resident experts will be used selectively in highly specialized fields;

(e) Under the new programming arrangements, periodic monitoring and reviews of cooperation frameworks will place added importance on the likely impact or sustainability of results of UNDP-supported activities, requiring clearer operational guidance on defining performance measures specifically linked to determining progress and prospects for sustainability in human and institutional capacity development, as well as overcoming constraints to such sustainability.

VII. EXECUTIVE BOARD ACTION

29. The Executive Board may wish to take note of the present report.

Notes

1/ This term is used to cover global, interregional and regional programmes.

2/ See documents DP/1994/6, DP/1994/41, DP/1995/17 and DP/1995/47 for the previous reports.

3/ Support was provided through the D3 sub-category, i.e., aid coordination, country programme initiatives.

4/ See "Public sector management, governance and sustainable human development", (discussion paper), Management Development and Governance Division, Bureau for Policy and Programme Support, UNDP, New York, 1995.

Annex I

SUMMARY OF FINANCIAL DATA ON COMMITMENTS AGAINST EXPENDITURES OF IPFs AT REVIEW (1995)

(Thousands of United States dollars)

Region/country	Available IPF a/ 1	IPF commitments at review 2	Column 2 as percentage of 1
AFRICA			
Burkina Faso	38 243	25 685	67
Cameroon	6 817	5 182	76
Côte d'Ivoire	9 810	5 883	60
Equatorial Guinea	7 930	5 426	68
Gabon	1 281	677	53
Ghana	34 039	21 084	62
Guinea	19 759	14 953	76
Mali	42 506	27 190	64
Mauritius	2 711	1 295	48
Mozambique	62 382	47 666	76
Namibia	11 867	10 071	85
Niger	33 137	27 635	83
Nigeria	87 296	30 269	35
Sao Tome and Principe	3 212	1 907	59
Senegal	18 909	15 516	82
Swaziland	4 075	3 007	74
Uganda	57 391	36 147	63
Zimbabwe	16 190	12 266	76
Africa intercountry	79 330	62 822	79

a/ Carry-over from fourth cycle plus fifth cycle IPF.

Region/country	Available IPF a/ 1	IPF commitments at review 2	Column 2 as percentage of 1
ASIA AND THE PACIFIC			
Bhutan	15 167	14 976	99
Cambodia	89 158	68 194	76
Democratic People's Republic of Korea	18 880	18 336	97
Federated States of Micronesia	2 260	1 923	85
Lao People's Democratic Republic	23 767	21 593	91
Malaysia	4 209	-	-
Maldives	4 946	4 722	95
Marshall Islands	1 856	1 737	94
Mongolia	4 895	4 667	95
Palau	479	493	103
Papua New Guinea	5 603	4 627	83
Republic of Korea	4 918	4 466	91
Solomon Islands	5 468	5 728	104
Sri Lanka	42 559	38 296	90
Thailand	18 639	16 236	87
Tokelau	1 053	1 048	100
Tuvalu	1 432	721	50
Vanuatu	1 606	1 044	65
Asia and the Pacific inter-country	130 056	127 875	98
ARAB STATES			
Algeria	8 393	5 454	65
Bahrain	-	-	-
Egypt	32 502	33 834	104
Jordan	3 750	3 733	100
Libyan Arab Jamahiriya	2 388	1 881	79
Saudi Arabia	NA	NA	NA
Sudan	42 718	41 540	97
Yemen	27 827	21 167	76

a/ Carry-over from fourth cycle plus fifth cycle IPF.

Region/country	Available IPF a/ 1	IPF commitments at review 2	Column 2 as percentage of 1
LATIN AMERICA AND THE CARIBBEAN			
Anguilla	1 146	895	78
Antigua and Barbuda	856	313	37
Barbados	917	727	79
Bermuda	48	2	4
Caribbean multi-island	3 798	2 236	59
Cayman Islands	163	59	36
Chile	6 471	4 612	71
Costa Rica	2 995	3 334	11
Cuba	8 107	6 076	75
Dominica	732	348	48
Dominican Republic	6 706	7 070	105
Ecuador	6 173	4 479	73
El Salvador	6 156	8 360	14
Grenada	728	692	95
Guatemala	6 813	5 344	78
Honduras	9 511	7 735	81
Jamaica	3 020	2 254	81
Montserrat	434	488	75
Netherlands Antilles	-	-	-
Nicaragua	17 629	16 318	93
Panama	2 152	1 595	74
Paraguay	3 268	2 984	91
Peru	7 395	9 182	124
Saint Helena	1 653	83	5
Saint Kitts and Nevis	967	1 292	13
Saint Lucia	987	789	80
Saint Vincent and the Grenadines	1 144	652	57
Turks and Caicos	910	617	68
Uruguay	3 000	2 492	83
Venezuela	2 515	1 983	77
Latin America and the Caribbean intercountry	22 623	17 807	75

a/ Carry-over from fourth cycle plus fifth cycle IPF.

Region/country	Available IPF a/ 1	IPF commitments at review 2	Column as percentage of 1
EUROPE			
Bulgaria	2 526	229	9
Malta	941	310	32
Poland	2 479	1 348	54
Romania	2 689	2 438	91
Europe inter-country	6 676	3 743	56

a/ Carry-over from fourth cycle, plus fifth cycle IPF, adjusted to 70 per cent of entitlement.

Annex II

MID-TERM REVIEWS

REGION	1993	1994	1995
Africa	Cape Verde, Zambia	Botswana, Chad, Comoros, Malawi, Seychelles	Burkina Faso, Cameroon, Côte d'Ivoire, Equatorial Guinea, Gabon, Ghana, Guinea, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Sao Tome and Principe, Senegal, Swaziland, Uganda, Zimbabwe, Africa intercountry
Asia and the Pacific	China, Fiji, India, Indonesia, Tonga	Bangladesh, Cook Island, Samoa, Viet Nam, Pacific multi-island	Bhutan, Cambodia, Democratic People's Republic of Korea, Federated States of Micronesia, Lao People's Democratic Republic, Malaysia, Maldives, Marshall Islands, Mongolia, Palau, Papua New Guinea, Republic of Korea, Solomon Islands, Sri Lanka, Thailand, Tokelau, Tuvalu, Vanuatu, Asia and the Pacific intercountry
Arab States		Morocco, Syrian Arab Republic, Tunisia, United Arab Emirates	Algeria, Bahrain, Egypt, Jordan, Libyan Arab Jamahiriya, Saudi Arabia, Sudan, Yemen
Europe			Bulgaria, Malta, Poland, Romania, Europe intercountry
Latin America and the Caribbean			Anguilla, Antigua and Barbuda, Barbados, Bermuda, Caribbean multi-island, Cayman Islands, Chile, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Honduras, Jamaica, Monserrat, Netherlands Antilles, Nicaragua, Panama, Paraguay Peru, Saint Helena, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Turks and Caicos, Uruguay, Venezuela, Latin America and the Caribbean intercountry

Annex III

SCHEDULE OF MID-TERM REVIEWS FOR 1996

REGION	1996
Africa	Benin, Burundi, Congo, Ethiopia, Gambia, Guinea-Bissau, Kenya, Lesotho, Mauritania, Madagascar, Sierra Leone, United Republic of Tanzania
Asia and the Pacific	Islamic Republic of Iran, Myanmar, Niue, Palau, Philippines
Arab States	Djibouti, Kuwait, Lebanon, Qatar
Europe	Albania, Hungary, Slovakia, Turkey, Federal Republic of Yugoslavia (Serbia and Montenegro)
Latin America and the Caribbean	Argentina, Belize